

MONDAY, APRIL 5, 1999

FIFTH LEGISLATIVE DAY

FIRST EXTRAORDINARY SESSION

The House met at 5:00 p.m. and was called to order by Mr. Speaker Naifeh.

The proceedings were opened with prayer by Eugene Wise, Jr., St. Paul Episcopal Church, Murfreesboro, Tennessee.

Representative Eckles led the House in the Pledge of Allegiance to the Flag.

### ROLL CALL

The roll call was taken with the following results:

Present..... 97

Representatives present were: Armstrong, Arriola, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Chumney, Cole (Carter), Cole (Dyer), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Gunnels, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jones S., Jones U., Kent, Kernell, Kerr, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Rhinehart, Ridgeway, Rinks, Roach, Robinson, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 97.

### EXCUSED

The Speaker announced that the following member(s) has/have been excused, pursuant to request(s) under **Rule No. 20**:

Representative McAfee; illness.

### MESSAGE FROM THE SENATE April 5, 1999

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolution(s) No(s). 22, 23, 24, 26, and 31; all adopted for concurrence.

CLYDE W. McCULLOUGH, JR., Chief Clerk.

**Senate Joint Resolution No. 22** -- Memorials, Personal Achievement - Brock Curtis Peters, Eagle Scout. by \*Springer.

## **MONDAY, APRIL 5, 1999 – FIFTH LEGISLATIVE DAY -- FIRST EXTRAORDINARY SESSION**

**Senate Joint Resolution No. 23** -- Memorials, Sports - 1998-1999 Gallatin High School boys' basketball team. by \*Graves, \*Haynes.

**Senate Joint Resolution No. 24** -- Memorials, Academic Achievement - Jonathan Bayless, High Scorer, American High School Mathematics Examination. by \*Womack, \*Atchley, \*Burchett.

**Senate Joint Resolution No. 26** -- Memorials, Recognition and Thanks - Portland's Third Annual "Making Strides Against Cancer" Walk, April 30, 1999. by \*Graves.

**Senate Joint Resolution No. 31** -- Memorials, Recognition and Thanks - Brenda Williams. Winner of the 1998 "Gee, I Thought Nobody Noticed Award.". by \*Davis L.

### **RESOLUTIONS**

Pursuant to **Rule No. 17**, the following resolution(s) was/were introduced and placed on the Consent Calendar for April 6, 1999:

**House Joint Resolution No. 17** -- Memorials, Personal Achievement - Christopher L. Carlton, Eagle Scout. by \*Pleasant.

**House Joint Resolution No. 18** -- Memorials, Sports - Tamika Whitmore, star University of Memphis senior basketball player. by \*Hargett.

**House Joint Resolution No. 19** -- Memorials, Sports - Heather Phillips, University of Memphis senior basketball player. by \*Hargett.

**House Joint Resolution No. 20** -- Memorials, Sports - 1998-1999 South Central Elementary School girls' basketball team. by \*Davis (Washington).

**House Joint Resolution No. 21** -- Memorials, Personal Occasion - Ivey Philpot, 100th birthday. by \*Beavers, \*Bone.

### **SENATE JOINT RESOLUTIONS (Congratulatory and Memorializing)**

Pursuant to **Rule No. 17**, the resolution(s) listed was/were noted as being placed on the Consent Calendar for April 6, 1999:

**Senate Joint Resolution No. 22** -- Memorials, Personal Achievement - Brock Curtis Peters, Eagle Scout. by \*Springer.

**Senate Joint Resolution No. 23** -- Memorials, Sports - 1998-1999 Gallatin High School boys' basketball team. by \*Graves, \*Haynes.

**Senate Joint Resolution No. 24** -- Memorials, Academic Achievement - Jonathan Bayless, High Scorer, American High School Mathematics Examination. by \*Womack, \*Atchley, \*Burchett.

**Senate Joint Resolution No. 26** -- Memorials, Recognition and Thanks - Portland's Third Annual "Making Strides Against Cancer" Walk, April 30, 1999. by \*Graves.

**Senate Joint Resolution No. 31** -- Memorials, Recognition and Thanks - Brenda Williams. Winner of the 1998 "Gee, I Thought Nobody Noticed Award.". by \*Davis L.

### **INTRODUCTION OF BILLS**

On motion, the following bills were introduced and passed first consideration:

**House Bill No. 16** -- Taxes, Privilege - Repeals special privilege tax Amends TCA Title 67, Chapter 4. by \*Newton. (\*SB16 by \*Miller J, \*Leatherwood)

**House Bill No. 17** -- Taxes, Exemption - Effective 1/1/2000, exempts from sales and use tax edible food or food products for home consumption, as defined by federal Food Stamp Act of 1977. Amends TCA Title 67, Chapter 6. by \*Winningham. (\*SB15 by \*Davis L)

**House Bill No. 18** -- Taxes, Income - Abolishes Hall income tax, effective January 1, 2000. Amends TCA Title 67, Chapter 2, Part 1. by \*Wood. (\*SB17 by \*Miller J, \*Davis L, \*Leatherwood)

**\*House Bill No. 19** -- Taxes, Exemption - Exempts from sales and use tax edible food or food products for home consumption, as defined by federal Food Stamp Act of 1977. Amends TCA Titles 4; 5; 6; 7; 8; 9; 10; 11; 12; 13; 16; 29; 39; 40; 50; 54; 55; 56; 57; 60; 65; 67; 68; 69; and 70. by \*Westmoreland. (SB36 by \*McNally)

**\*House Bill No. 20** -- Taxes - Closes loopholes for franchise and excise tax. Amends TCA Titles 4; 5; 6; 7; 8; 9; 10; 11; 12; 13; 16; 29; 39; 40; 50; 54; 55; 56; 57; 60; 65; 67; 68; 69; and 70. by \*Westmoreland. (SB37 by \*McNally)

**House Bill No. 21** -- Taxes, Exemption - Removes sales tax from residential telephones. Amends TCA Title 67, Chapter 6. by \*Kernell. (\*SB11 by \*Cohen)

**House Bill No. 22** -- Taxes, Exemption - Exempts from sales and use tax edible food or food products for home consumption, as defined by federal Food Stamp Act of 1977. Amends TCA Title 67, Chapter 6. by \*Kernell. (\*SB10 by \*Cohen)

**House Bill No. 23** -- Taxes, Exemption - Exempts from sales and use tax all charges for architectural, landscape architectural or engineering services whether sold, used or consumed. Amends TCA Title 9; Title 45; Title 56; Title 62, Chapter 2 and Title 67. by \*Phelan. (\*SB24 by \*Haynes)

**House Bill No. 24** -- Taxes, Privilege - Enacts "Extraordinary Good and Fair and Common Sense Approach to Health Care and Funding Thereof Act." Amends TCA Title 67, Chapter 4, Part 10. by \*Jackson. (\*SB19 by \*Cohen)

**House Bill No. 25** -- Taxes, Tobacco, Tobacco Products - Doubles tax on cigarettes from 6 1/2 mills on each cigarette to 13 mills. Amends TCA Title 67, Chapter 4, Part 10. by \*Jackson. (\*SB20 by \*Cohen)

**\*House Bill No. 26** -- Taxes - Extends franchise and excise tax to all forms of business including LLCs, LLPs and sole proprietorships; revises sales tax exemptions; removes for profit state sales taxes from essential food items defined as bread, milk, eggs, baby food and baby formula. Amends TCA Title 48 and Title 67. by \*Newton, \*DeBerry L, \*Miller L, \*Brooks, \*Bowers, \*DeBerry J. (SB64 by \*Clabough)

**\*House Bill No. 27** -- Taxes, Exemption - Exempts essential food items from sales tax; defines "essential food items" as bread, milk, eggs, baby food and formula. Amends TCA Title 67, Chapter 6. by \*Newton, \*Bunch. (SB23 by \*Miller J)

**House Bill No. 28** -- Constitutional Conventions - Proposes amendment to Article XI, Section 5, relative to lotteries. by \*Newton, \*Kernell. (\*SB21 by \*Cohen, \*Crutchfield)

**House Bill No. 29** -- Taxes, Exemption - Extends privilege and excise tax exemption on gas, water and electric current for cities and political subdivisions to persons meeting criteria of exempt wholesale generators or FERC certified wholesale power marketers under Federal Power Act; extends such exemptions for miscellaneous public utilities to exempt wholesale generators and FERC certified wholesale power marketers under Federal Power Act Amends TCA Section 67-4-405, Section 67-4-406, and Title 67. by \*Maddox. (\*SB18 by \*Wilder)

**\*House Bill No. 30** -- Taxes, Sales - Increases sales tax rate from 1 to 6 percent on sale of water to manufacturers; increases sales tax rate from 1.5 percent to 6 percent on sale of gas, electricity and energy fuels to manufacturers; removes state sales tax exemption and imposes 6 percent state sales tax on sale of gas, electricity and energy fuels sold directly to consumers for residential use; earmarks 0.5 percent portion of sales tax increases for education purposes. Amends TCA Title 7, Chapters 82 and 83; Title 65 and Title 67. by \*Armstrong, \*Pruitt, \*Jones U (Shelby), \*Cole (Dyer). (SB42 by \*Ford J, \*Dixon)

**\*House Bill No. 31** -- Taxes - Removes sales tax exemptions; cuts state and local option sales/use tax rates in half; and broadens applicability of franchise and excise tax laws. Amends TCA Title 67. by \*Stulce. (SB49 by \*Crutchfield)

**\*House Bill No. 32** -- Taxes, Excise - Defines "non-financial unitary business" for purposes of excise tax law as business activities of any affiliated businesses that license, lease or transfer intangible property other than patents including trademarks, copyrights and licenses for mutual benefit. Amends TCA Title 67. by \*Kisber. (SB29 by \*Rochelle)

**\*House Bill No. 33** -- Taxes, Excise - Requires net earnings for excise tax purposes to be apportioned by multiplying the earnings by the sales factor only, for tax years beginning on or after July 1, 1999. Amends TCA Title 67, Chapter 4. by \*Kisber. (SB28 by \*Rochelle)

**\*House Bill No. 34** -- Taxes, Sales - Imposes 6 percent tax on gross charge for all business, personal, financial, health and medical, construction, non-medical professional, transportation and miscellaneous services. Amends TCA Title 67, Chapter 6. by \*McKee. (SB26 by \*Williams)

**\*House Bill No. 35** -- Taxes - Expands application of franchise and excise tax to include businesses other than corporations; exempts dividends of publicly held corporations from Hall income tax. Amends TCA. by \*Sharp. (SB43 by \*Fowler, \*Leatherwood)

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**\*House Bill No. 36** -- Taxes, Sales - Removes all sales and use tax exemptions. Amends TCA Title 67, Chapter 6. by \*Beavers. (SB65 by \*Williams)

**\*House Bill No. 37** -- Taxes - Enacts "Tennessee Equitable Taxation Reform Act of 1999." Amends TCA Title 5; Title 6; Title 7; Title 9; Title 45; Title 48; Title 56; Title 57; Title 61; Title 62; Title 67 and Title 68. by \*Brown. (SB47 by \*Crutchfield)

**\*House Bill No. 38** -- Taxes - Enacts "Fair Tax Reform Act of 1999." Amends TCA Title 9; Title 45; Title 48; Title 56; Title 57; Title 61; Title 62; Title 67 and Title 68. by \*Brown. (SB48 by \*Crutchfield)

**\*House Bill No. 39** -- Taxes - Enacts "Tax Reform and Revision Act of 1999." Amends TCA Title 9; Title 45; Title 48; Title 56; Title 57; Title 61; Title 62; Title 67 and Title 68. by \*Chumney. (SB44 by \*Dixon)

**CONSENT CALENDAR**

**House Joint Resolution No. 16** -- Memorials, Recognition and Thanks - Sullivan North High School Naval Junior Reserve Officers Training Corp cadets. by \*Godsey.

**Senate Joint Resolution No. 1** -- Memorials, Retirement - Charles N. Nunley. by \*Cooper, \*Womack.

**Senate Joint Resolution No. 3** -- Memorials, Personal Achievement - Ashley Clark, 1999 Miss Tennessee Teen All-American. by \*Womack, \*Harper.

**Senate Joint Resolution No. 4** -- Memorials, Public Service - Garland DeLozier, Distinguished Service Award, Tennessee Farm Bureau Federation. by \*Clabough.

**Senate Joint Resolution No. 5** -- Memorials, Retirement - Stanley Shields, Mayor of Maryville. by \*Clabough.

**Senate Joint Resolution No. 6** -- Memorials, Professional Achievement - Layton Humbert. by \*Crowe.

**Senate Joint Resolution No. 7** -- Memorials, Academic Achievement - Robert Pruitt, Valedictorian, Greenbrier High School. by \*Graves.

**Senate Joint Resolution No. 8** -- Memorials, Sports - John Miller Sr., TSSAA Hall of Fame. by \*Kurita, \*Springer.

**Senate Joint Resolution No. 9** -- Memorials, Academic Achievement - Susan Martin, Salutatorian, Stewart County High School. by \*Kurita.

**Senate Joint Resolution No. 10** -- Memorials, Academic Achievement - Jacquelynn McDonough, Salutatorian, Houston City High School. by \*Kurita.

**Senate Joint Resolution No. 11** -- Memorials, Academic Achievement - Michael Wood, Valedictorian, Clarksville Academy. by \*Kurita.

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**Senate Joint Resolution No. 12** -- Memorials, Academic Achievement - Jay Smith, Salutatorian, Clarksville Academy. by \*Kurita.

**Senate Joint Resolution No. 13** -- Memorials, Academic Achievement - Michael David Bleakley, Valedictorian, Northeast High School. by \*Kurita.

**Senate Joint Resolution No. 14** -- Memorials, Academic Achievement - Jamie Worden, 1999 Salutatorian, Northeast High School. by \*Kurita.

**Senate Joint Resolution No. 15** -- Memorials, Academic Achievement - Nicole Adams, Valedictorian, Houston County High School. by \*Kurita.

**Senate Joint Resolution No. 16** -- Memorials, Academic Achievement - Joshua Wade Sullivan, Salutatorian, Northwest High School. by \*Kurita.

**Senate Joint Resolution No. 17** -- Memorials, Academic Achievement - Melanie Ann Gjellstad, Valedictorian, Northwest High School. by \*Kurita.

**Senate Joint Resolution No. 18** -- Memorials, Academic Achievement - Sheryl Umayam, 1999 Valedictorian, Kenwood High School. by \*Kurita.

**Senate Joint Resolution No. 19** -- Memorials, Sports - Matt McCarty, Clarksville High School wrestler. by \*Kurita.

**Senate Joint Resolution No. 20** -- Memorials - Honors Africans who died in the Middle Passage. by \*Ford J, \*Dixon, \*Harper, \*Herron.

**Senate Joint Resolution No. 25** -- Memorials, Public Service - Kathleen Durrett Hale, White House Citizen of the Year. by \*Graves.

**Senate Joint Resolution No. 29** -- Memorials, Personal Occasion - Bob and Nell McCall, 50th Wedding Anniversary. by \*Springer, \*Blackburn.

Rep. Brooks moved that all members voting aye on **Senate Joint Resolution No. 20** be added as sponsors, which motion prevailed.

Pursuant to **Rule No. 50**, Rep. Phillips moved that all House Bills having companion Senate Bills and are on the Clerk's desk be conformed and substituted for the appropriate House Bill, all Senate and House Bills on the Consent Calendar be passed on third and final consideration, all House Resolutions and House Joint Resolutions be adopted, and all Senate Joint Resolutions on the Consent Calendar be concurred in, which motion prevailed by the following vote:

Ayes..... 97  
Noes..... 0

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Chumney, Cole (Carter), Cole (Dyer), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Gunnels, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Jones U., Kent, Kernell, Kerr,

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Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Rhinehart, Ridgeway, Rinks, Roach, Robinson, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 97.

A motion to reconsider was tabled.

**ANNOUNCEMENTS**

The clerk announced that the cutoff for properly introducing House Bills for the First Extraordinary Session would be at the end of business today.

**SPONSORS ADDED**

Under **Rule No. 43**, the following members were permitted to add their names as sponsors as indicated below, the prime sponsor of each having agreed to such addition:

**House Bill No. 27:** Rep(s). Bunch as prime sponsor(s).

**House Bill No. 28:** Rep(s). Kernell as prime sponsor(s).

**MESSAGE FROM THE SENATE**

**April 5, 1999**

MR. SPEAKER: I am directed to return to the House, House Joint Resolution(s) No(s). 14; concurred in by the Senate.

CLYDE W. McCULLOUGH, JR., Chief Clerk.

**ENGROSSED BILLS**

**April 5, 1999**

The following bill(s) have been examined, engrossed, and are ready for transmission to the Senate: House Joint Resolution(s) No(s). 16.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

**MESSAGE FROM THE SENATE**

**April 5, 1999**

MR. SPEAKER: I am directed to return to the House, House Joint Resolution(s) No(s). 1,2,3,4,6, 7, 8, 9, 11, and 12; all concurred in by the Senate.

CLYDE W. McCULLOUGH, JR., Chief Clerk.

ROLL CALL

The roll call was taken with the following results:

Present..... 97

Representatives present were: Armstrong, Arriola, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Chumney, Cole (Carter), Cole (Dyer), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Gunnels, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Jones U., Kent, Kernell, Kerr, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Patton, Phelan, Phillips, Pinion, Pruitt, Rhinehart, Ridgeway, Rinks, Roach, Robinson, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 97.

RECESS MOTION

On motion of Rep. Hargrove, the House recessed until 9:00 a.m., Tuesday, April 6, 1999.